21. STATE BUDGET PREPARATION, ESTIMATES AND GRANTS, MONEY BILLS, APPROPRIATION BILL AND LAW RELATING TO THE CONSOLIDATED AND CONTINGENCY FUNDS OF THE STATE.

G. R. No. 2613/33, dated 24th June 1947.

Expenditure :

Detailed appropriate audit of —: Adjustment of debits for supplies to other Departments.

Letter from the Accountant General, Bombay, No. T.M. 22/39, dated 11th April 1947 :—

"I have the honour to enclose a copy of the Government of India, Finance Department, Memorandum No. F. 1/(155)-B/46, dated 18th December 1946, forwarded by the Auditor General of India to this office for information. As the instructions contained in the Government of India memorandum have a general bearing on the watching of the progress of expenditure against grants by the controlling authorities I would request Government to consider the desirability of issuing similar instructions for the guidance of the departmental officers in this province."

Government of India, Finance Department, Memorandum No. F. 1/(155)-B/46, dated 18th December 1946 :—

"In paragraph 7 of their Report on the Accounts for 1944-45 (Extract enclosed for ready reference) the Public Accounts Committee commented on the apparent lack of liaison between the receiving departments and the departments arranging the supplies resulting in large lapses of fund due to the non-receipt of debits for supplies, and suggested that if a close liaison between departments is maintained such lapses should be very few. The attention of all departments of the Government of India and of Controlling authorities is drawn to the observations of the Committee on this point. The responsibility of Controlling Officers does not end with including provision for the value of supplies in regulating their grants. They should keep a watch over the receipt of the debits and remind the serving departments if there is any undue delay in receiving them.

"2. Necessary instructions may be issued to all subordinate Controlling Officers."

Extract paragraph 7 of Central Public Accounts Committee Report for 1944-45 :—

"*Debits for supplies and services.*—During our examination of the appropriation accounts we came across a large number of cases in which final savings had been explained as due to the non-receipt of debits for supplies by other departments. In this connection we suggested last year the adoption of the practice of making provisional payments to the supplying departments. We understand that this suggestion has been accepted in the case of supplies made to the Railways, whose accounts close relatively early after the end of the financial year,

and that it has not been considered necessary to adopt it for other departments as their accounts are kept open for some months after the close of the financial year. We do not propose to reopen this question but we are left with the impression that the departments receiving the supplies or services do not maintain sufficiently close liaison with the supplying departments in this matter. While it is the duty of the Supplying Departments to arrange for the prompt raising of debits against the receiving departments, it is in our view equally the duty of the latter, as part of their control of expenditure of the funds placed at their disposal, to remind the serving departments and see that debits are received in time. We feel that if a close liaison is maintained between the supplying and receiving departments, there should be fewer cases of lapses due to non-receipts of debits and we suggest that this should be brought to the notice of all departments."

Copies of the Government of India, Finance Department, Memorandum No. F.1/(155)-B/46, dated 18th December 1946 and extract paragraph 7 of the Central Public Accounts Committee's Report for 1944-45 should be forwarded to all Departments of the Secretariat and all Heads of Offices for information and guidance.

2. The Controlling Officers should keep a watch over the receipts of debits and remind the serving departments *including departments of other Governments* if there is any undue delay in receiving them.

G. C. No. 9705, dated 6th August 1947.

New Items of Expenditure :

Monetary criteria for determining —.

A note on the monetary limits above which new instruments of service should be classed as new items of expenditure was laid before the Public Accounts Committee which met to examine the Appropriation Accounts of the Government of Bombay for the year 1944-45 : (*vide* Appendix-B at page 15 of the Report of the Public Accounts Committee on Appropriation Accounts for 1944-45). The Committee agreed with the monetary limits proposed therein for determining new items of expenditure. Government is pleased to direct that the revised limits (*viz.* Rs. 5,000 or more for recurring item and Rs. 25,000 or more for non-recurring items) laid down in Government Memorandum, Finance Department, No. 9705-G, dated 29th September 1944 should continue to be observed for purposes of the budget. All proposals for new expenditure in respect of the 1948-49 budget should be examined accordingly and forwarded to this Department officially in due course. These limits should also be followed for purposes of the supplementary demands for new items of service to be presented to the Legislative Assembly during the current and subsequent years.

2. The existing limit of Rs. 20,000 for new major works will continue to be in force up to 31st March 1949, as it was sanctioned for a period of 3 years from 1st April 1946.